

STATE OF TENNESSEE

PUBLIC CHAPTER NO. 423

HOUSE BILL NO. 1779

By Representative Casada

Substituted for: Senate Bill No. 660

By Senator Stanley

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 82, relative to utility districts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-82-702, is amended by adding the following as a new subdivision (19):

(19) Review and conduct a hearing of any decision of any utility district upon a written request of any utility district customer or an affected developer concerning the justness and reasonableness of the utility district's requirement that the customer or the developer build utility systems to be dedicated to the utility district or the justness and reasonableness of fees or charges against the customer or the developer related to such utility systems. Such written complaint must be filed within 30 days after the utility board has taken action upon a written complaint to the board of commissioners of the utility district. In making its decision as to whether the requirements, fees or charges are just and reasonable, the utility management review board shall take into account the reasonableness of the utility district's rules, policies and cost of service as well as any evidence presented during the hearing. Any judicial review of a decision of the board is by common law certiorari with the county of the utility district's principal office as the proper venue.

SECTION 2. Tennessee Code Annotated, Section 7-82-701, is amended by deleting subsection (b)(3) in its entirety and by substituting instead the following:

(3) Seven (7) members appointed by the governor, three (3) of whom shall be experienced utility district managers, three (3) of whom shall be experienced utility district commissioners and one (1) of whom shall be a consumer residing in the state who may have experience in residential development but is not engaged in utility district management or operation. The consumer member shall be appointed for a four (4) year term of office at the expiration of the term of office of a utility district manager first occurring after the effective date of this act.

SECTION 3. Tennessee Code Annotated, Section 7-82-307(b)(1), is amended by inserting the language “, and may conduct a contested case hearing in accordance

with subdivision (B),” after the language “shall conduct a contested case hearing” and the language “within the service area”.

SECTION 4. Tennessee Code Annotated, Section 7-82-307(b)(1), is amended by designating the existing language as subdivision (A) and by adding the following language to be designated as subdivision (B):

(B) If the comptroller of the treasury investigates or conducts an audit of a utility district, the comptroller shall forward to the utility management review board any published investigative audit reports involving a utility district incorporated under this chapter. The board shall review those reports and may conduct a contested case hearing on the question of whether utility district commissioners should be removed from office for knowingly or willfully committing misconduct in office; knowingly or willfully neglecting to fulfill any duty imposed upon such member by law; or failing to fulfill his or her or their fiduciary responsibility in the operation or oversight of the district.

SECTION 5. Tennessee Code Annotated, Section 7-82-307(b), is amended by deleting the words “member by law, then the board” in the first sentence of subdivision (2) and by substituting instead the following:

member by law; or failed to fulfill his/her or their fiduciary responsibility in the operation or oversight of the district, then the board

SECTION 6. Tennessee Code Annotated, Section 7-82-307(b)(3)(A)(i) is by deleting the word “or” at the end of subdivision (a), by adding the following language as a new subdivision (b), and by relettering the subsequent subdivision accordingly:

(3)(A)(i)

(b) A member or members failed to fulfill his/her or their fiduciary responsibility in the operation or oversight of the district; or

SECTION 7. This act shall be effective upon becoming the law, the public welfare requiring it.

PASSED: June 2, 2009

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KENT WILLIAMS, SPEAKER
HOUSE OF REPRESENTATIVES

A handwritten signature in black ink, reading "Ron Ramsey", written over a horizontal line.

RON RAMSEY
SPEAKER OF THE SENATE

APPROVED this 11th day of June 2009

A handwritten signature in black ink, reading "Phil Bredeesen", written over a horizontal line.

PHIL BREDESEN, GOVERNOR